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Multilateral Development Banks: U.S. Contributions FY2000-FY2015

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Summary

This report shows in tabular form how much the Administration requested and how much Congress appropriated for U.S. payments to the multilateral development banks (MDBs) since 2000. It also provides a brief description of the MDBs and the ways they fund their operations. It will be updated periodically as annual appropriation figures are known. The title of this report will also change annually, as new yearly appropriation figures are added.

For FY2015, Congress appropriated funds for several of the non-concessional lending facilities at the MDBs. Several of the MDBs are in the process of increasing the size of their non-concessional lending facilities, a process frequently called a "general capital increase" (GCI). GCIs are relatively unusual, particularly for so many institutions at the same time. Contributions to the GCIs are expected to be spread out over a five- to eight-year period, depending on the institution. For most of the institutions, the funds appropriated in FY2012 were the first annual payment. In addition to funds for the GCIs, Congress appropriated for FY2015 funds for several MDB concessional lending facilities and more targeted MDB funds, such as those dedicated to environmental issues.

For further information about the MDBs, the GCIs, and relevant U.S. policy process, see the following CRS reports:

- CRS Report R41170, *Multilateral Development Banks: Overview and Issues for Congress*, by Rebecca M. Nelson;
- CRS Report R41672, *Multilateral Development Banks: General Capital Increases*, by Martin A. Weiss; and
- CRS Report R41537, *Multilateral Development Banks: How the United States Makes and Implements Policy*, by Rebecca M. Nelson and Martin A. Weiss.

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U.S. Participation in the MDBs

The United States is a member of five multilateral development banks (MDBs): the World Bank, African Development Bank (AfDB), Asian Development Bank (AsDB), European Bank for Reconstruction and Development (EBRD), and Inter-American Development Bank (IDB). It also belongs to two similar organizations, the International Fund for Agricultural Development (IFAD) and the North American Development Bank (NADBank).

The MDBs and Their Programs

The MDBs have similar programs, though they all differ somewhat in their institutional structure and emphasis. Each has a president and executive board that manages or supervises all of its programs and operations. Except for the EBRD, which makes only market-based loans, all the MDBs make both market-based loans to middle-income developing countries and concessional loans to the poorest countries. Their loans are made to governments or to organizations having government repayment guarantees. In each MDB, the same staff prepares both the market-based and the concessional loans, using the same standards and procedures for both.[1] The main differences between them are the repayment terms and the countries which qualify for them.[2]

The MDBs also have specialized facilities which have their own operating staff and management but report to the bank's president and executive board. The World Bank's International Finance Corporation (IFC) and the IDB's Inter-American Investment Corporation (IIC) make loans to or equity investments in private sector firms in developing countries (on commercial terms) without government repayment guarantees. The AsDB makes similar loans from its market-rate loan account. The World Bank's Multilateral Investment Guarantee Agency (MIGA) underwrites private investments in developing countries (on commercial terms) to protect against non-economic risk. At the IDB, the Multilateral Investment Fund (MIF) helps Latin American countries institute policy reforms aimed at stimulating domestic and international investment. It also funds worker retraining and programs for small- and micro-enterprises. The MIF originated as part of President Bush's 1990 Enterprise for the Americas Initiative (EAI).

The NADBank was created by the North American Free Trade Agreement (NAFTA) to fund environmental infrastructure projects in the U.S.-Mexico border region. The International Fund for Agricultural Development (IFAD), created in 1977, focuses on reducing poverty and hunger in poor countries through agricultural development.

Finally, the World Bank also serves as the trustee for several targeted multilateral development funds, for which the Administration has requested and Congress has appropriated funds. These multilateral funds include the Clean Technology Fund (CTF), the Strategic Climate Fund (SCF), the Global Environment Facility (GEF), and the Global Agriculture and Food Security Program (GAFSP).

[1] The International Development Association (IDA) is the World Bank's concessional loan affiliate. The Asian Development Fund (AsDF), African Development Fund (AFDF), and Fund for Special Operations (FSO) are the comparable programs at the AsDB, AfDB, and IDB, respectively.

[2] MDB market-based loans cost a little more than the rate the banks pay to borrow funds commercially. IDA and AFDF charge about 3/4 of 1% annually. The IDB charges 1% to 4% annually, depending on the project and the borrower. Most borrowers from the concessional programs have per capita incomes of less (often much less) than $900 annually.

Funding MDB Assistance Programs

The MDBs' concessional aid programs are funded with money donated by their wealthier member country governments. Periodically, as the stock of uncommitted MDB funds begins to run low, the major donors negotiate a new funding plan that specifies their new contribution shares.

Loans from the MDBs' market-rate loan facilities are funded with money borrowed in world capital markets. The IFC and IIC fund their loans and equity investments partly with money contributed by their members and partly with funds borrowed from commercial capital markets. The MDBs' borrowings are backed by the subscriptions of their member countries. They provide a small part of their capital subscriptions (3% to 5% of the total for most MDBs) in the form of paid-in capital. The rest they subscribe as callable capital. Callable capital is a contingent liability, payable only if an MDB becomes bankrupt and lacks sufficient funds to repay its own creditors. It cannot be called to provide the banks with additional loan funds.

Countries' voting shares are determined mainly by the size of their contributions. The United States is the largest stockholder in most MDBs, and has maintained this position to preserve veto power in some institutions over major policy decisions

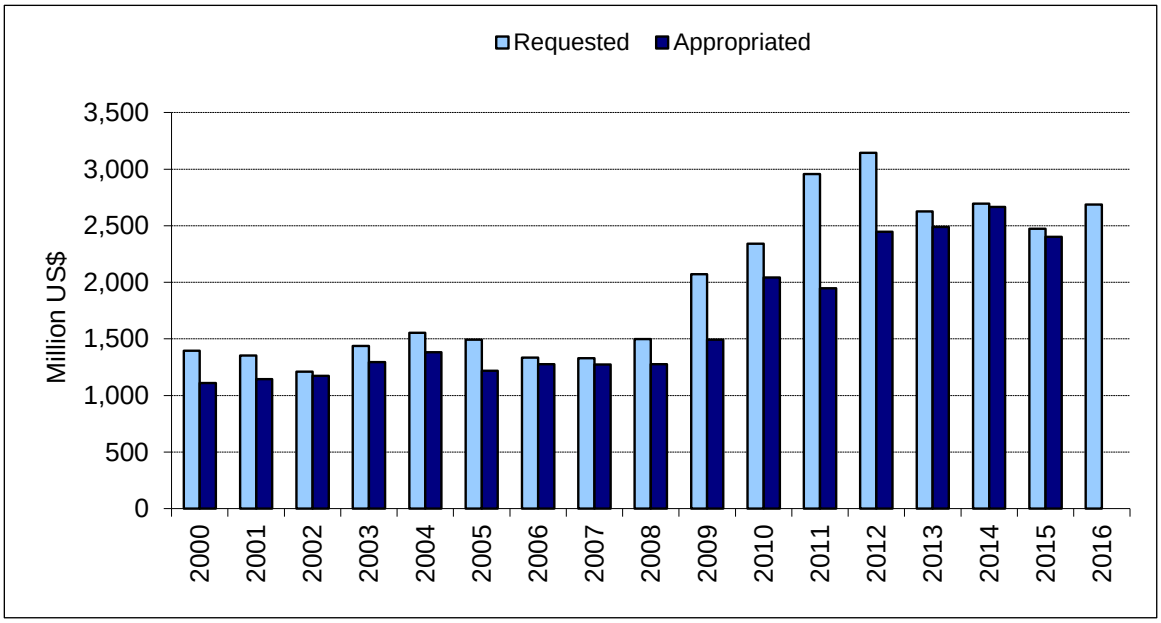
U.S. Appropriations for MDBs

Figure 1 and **Tables 1-4** show the amounts the Administration has requested and Congress has appropriated annually since FY2000 to the multilateral development banks. Note that the figure and table do not include callable capital. Since the early 1980s, Congress has authorized but not appropriated callable capital.

As **Figure 1** illustrates, the Administration's budget request for U.S. contributions to the MDBs fell in FY2015 to $2,473 million, from $2,696 in FY2014. The amount appropriated, while not meeting the full request of the Administration, also fell, from $2,617 million in FY2014 to $2,401 million in FY2015. The relevant FY2014 appropriations legislation is tracked in CRS Report R43043, *State, Foreign Operations, and Related Programs: FY2014 Budget and Appropriations*, by Susan B. Epstein, Alex Tiersky, and Marian L. Lawson.

Of note in FY2015, the Administration requested and Congress appropriated funds for several of the non-concessional lending facilities at the MDBs. Several of the MDBs are in the process of increasing the size of their non-concessional lending facilities, a process frequently called a "general capital increase" (GCI). GCIs are relatively unusual, particularly for so many institutions at the same time. Contributions to the GCIs are expected to be spread out over a five- to eight-year period, depending on the institution. For most of the institutions, the FY2012 funds are the first annual payment. In FY2015, Congress also appropriated funds for several MDB concessional lending facilities and more targeted MDB funds, such as those dedicated to environmental issues. For FY2016, the Administration has requested about $2.6 billion for the MDBs.

Figure 1. Multilateral Development Banks: Budget Requests and Appropriated Funds, FY2000-FY2016



Source and Notes: See Tables 1-4.

Table 1. Multilateral Development Banks: Budget Requests and Appropriated Funds, FY2000-FY2004

(in millions of dollars)

	2000		2001		2002		2003		2004	
	Request	**Approp.**	**Request**	**Approp.**	**Request**	**Approp.**	**Request**	**Approp.**	**Request**	**Approp.**
World Bank Group										
Int'l Bank for Reconstruction & Development (IBRD)										
Int'l Development Association (IDA)	803.4	771.3	835.6	773.3	803.4	792.4	874.3	844.5	976.8	907.8
Int'l Finance Corporation (IFC)										
Multilateral Investment Guarantee Agency (MIGA)	10.0	4.0	16.0	10.0	10.0	5.0	3.6	1.6	4.0	1.1
Regional/Targeted Development Banks										
African Development Bank (AfDB)	5.1	4.1	6.1	6.1	5.1	5.1	5.1	5.1	5.1	5.1
African Development Fund (AfDF)	127.0	127.0	100.0	99.8	100.0	100.0	118.1	107.4	118.1	112.0
Asian Development Bank (AsDB)	13.7	13.7								
Asian Development Fund (AsDF)	177.0	77.0	125.0	71.8	103.0	98.0	147.4	97.2	151.9	143.6
Inter-American Development Bank (IDB)	25.6	25.6								
Fund for Special Operations (FSO)[a]										
Inter-American Investment Corp (IIC)[a]	25.0	16.0	34.0	24.9	25.0	18.0	30.4	18.2	30.9	
Multilateral Investment Fund (MIF)[a]	28.5		25.9	10.0			29.6	24.4	32.6	24.9
European Bank for Reconstruction and Development (EBRD)	35.8	35.8	35.8	35.7	35.8	35.8	35.8	35.6	35.4	35.2
International Fund for Agricultural Development (IFAD)				5.0	20.0	20.0	15.0	14.9	15.0	14.9
North American Development Bank (NADB)										
Specialized Funds[b]										
Global Environmental Facility (GEF)	143.3	35.8	175.6	107.8	107.5	100.5	177.8	146.9	185.0	138.4
Clean Technology Fund										
Strategic Climate Fund										
Green Climate Fund										
Global Agriculture and Food Security Program (GAFSP)										
TOTAL MDB APPROPRIATION	**1,394.4**	**1,110.3**	**1,353.9**	**1,144.4**	**1,209.8**	**1,174.8**	**1,437.1**	**1,295.8**	**1,554.9**	**1,383.0**

Table 2. Multilateral Development Banks: Budget Requests and Appropriated Funds, FY2005-FY2009

(in millions of dollars)

	2005		2006		2007		2008		2009	
	Request	**Approp.**	**Request**	**Approp.**	**Request**	**Approp.**	**Request**	**Approp.**	**Request**	**Approp.**
World Bank Group										
Int'l Bank for Reconstruction & Development (IBRD)										
Int'l Development Association (IDA)	1,061.3	843.2	950.0	940.5	950.0	940.5	1,060.0	942.3	1,277.0	1,115.0
Int'l Finance Corporation (IFC)										
Multilateral Investment Guarantee Agency (MIGA)			1.7	1.3			1.1			
Regional/Targeted Development Banks										
African Development Bank (AfDB)	5.1	4.1	5.6	3.6	5.0	3.6	2.0	2.0		0.8
African Development Fund (AfDF)	118.0	105.2	135.7	134.3	135.7	134.3	140.6	134.6	156.1	150.0
Asian Development Bank (AsDB)					23.8					
Asian Development Fund (AsDF)	112.2	99.2	115.3	99.0	115.3	99.0	133.9	74.5	115.3	105.0
Inter-American Development Bank (IDB)										
Fund for Special Operations (FSO)[a]										
Inter-American Investment Corp (IIC)[a]			1.7	1.7			7.3			
Multilateral Investment Fund (MIF)[a]	25.0	10.9	1.7	1.7	25.0	1.7	29.2	24.8	25.0	25.0
European Bank for Reconstruction and Development (EBRD)	35.4	35.2	1.0	1.0			0.01	0.01		
International Fund for Agricultural Development (IFAD)	15.0	14.9	15.0	14.9	18.0	14.8	18.1	17.9	18.0	18.0
North American Development Bank (NADB)										
Specialized Funds[b]										
Global Environmental Facility (GEF)	120.7	106.6	107.5	79.2	56.3	79.2	106.8	81.1	80.0	80.0
Clean Technology Fund									400.0	
Strategic Climate Fund										
Green Climate Fund										
Global Agriculture and Food Security Program (GAFSP)										
TOTAL MDB APPROPRIATION	**1,492.7**	**1,219.2**	**1,335.2**	**1,277.2**	**1,329.0**	**1,273.2**	**1,499.0**	**1,277.3**	**2,071.3**	**1,493.8**

Table 3. Multilateral Development Banks: Budget Requests and Appropriated Funds, FY2010-FY2014

(Million $)

	2010		2011		2012		2013		2014	
	Request	**Approp.**	**Request**	**Approp.**	**Request**	**Approp.**	**Request**	**Approp.**	**Request**	**Approp.**
World Bank Group										
Int'l Bank for Reconstruction & Development (IBRD)					117.4	117.4	187.0	181.0	187.0	187.0
Int'l Development Association (IDA)	1,320.0	1,262.5	1,285.0	1,232.5	1,358.5	1,325.0	1,358.5	1,291.4	1,358.5	1,355.0
Int'l Finance Corporation (IFC)										
Multilateral Investment Guarantee Agency (MIGA)										
Regional/Targeted Development Banks										
African Development Bank (AfDB)					32.4	32.4	32.4	30.8	32.4	32.4
African Development Fund (AfDF)	159.9	155.0	155.9	109.8	195.0	172.5	195.0	163.8	195.0	176.3
Asian Development Bank (AsDB)			106.6	106.4	106.6	106.6	106.8	101.2	106.6	106.6
Asian Development Fund (AsDF)	115.3	105.0	115.3	0.0	115.3	100.0	115.3	94.9	115.3	109.9
Inter-American Development Bank (IDB)					102.0	75.0	102.0	107.3	102.0	102.0
Fund for Special Operations (FSO)[a]										
Inter-American Investment Corp (IIC)[a]	4.7	4.7	21.0	21.0	20.4	4.7				
Multilateral Investment Fund (MIF)[a]	25.0	25.0	25.0	25.0	25.0	25.0		13.7	6.3	6.3
European Bank for Reconstruction and Development (EBRD)										
International Fund for Agricultural Development (IFAD)	30.0	30.0	30.0	29.5	30.0	30.0	30.0	28.5	30.0	30.0
North American Development Bank (NADB)										
Specialized Funds[b]										
Global Environmental Facility (GEF)	86.5	86.5	175.0	89.8	143.8	89.8	129.4	124.8	143.8	143.8
Clean Technology Fund	500.0	300.0	400.0	184.6	400.0	184.6	185.0	175.3	215.7	209.6
Strategic Climate Fund	100.0	75.0	235.0	49.9	190.0	49.9	50.0	47.4	68.0	74.9
Green Climate Fund										
Global Agriculture and Food Security Program (GAFSP)			408.4	99.8	308.0	135.0	134.0	128.2	135.0	133.0
TOTAL MDB APPROPRIATION	**2,341.4**	**2,043.7**	**2,957.2**	**1,948.3**	**3,144.4**	**2,447.9**	**2,625.4**	**2,488.3**	**2,695.6**	**2,666.8**

Table 4. Multilateral Development Banks: Budget Requests and Appropriated Funds, FY2015-FY2016

(in millions of dollars)

	2015		2016	
	Request	**Approp.**	**Request**	**Approp.**
World Bank Group				
Int'l Bank for Reconstruction & Development (IBRD)	192.9	187.0	192.9	
Int'l Development Association (IDA)	1,290.6	1,287.8	1,290.6	
Int'l Finance Corporation (IFC)				
Multilateral Investment Guarantee Agency (MIGA)				
Regional/Targeted Development Banks				
African Development Bank (AfDB)	34.1	32.4	34.1	
African Development Fund (AfDF)	195.0	175.7	227.5	
Asian Development Bank (AsDB)	112.2	106.6	5.6	
Asian Development Fund (AsDF)	115.3	105.0	166.1	
Inter-American Development Bank (IDB)	102.0	102.0	102.0	
Fund for Special Operations (FSO)[a]				
Inter-American Investment Corp (IIC)[a]				
Multilateral Investment Fund (MIF)[a]		3.4		
European Bank for Reconstruction and Development (EBRD)				
International Fund for Agricultural Development (IFAD)	30.0	30.0	31.9	
North American Development Bank (NADB)			45.0	
Specialized Funds[b]				
Global Environmental Facility (GEF)	136.6	136.6	168.3	
Clean Technology Fund	201.3	184.6	170.7	
Strategic Climate Fund	63.2	49.9	59.6	
Green Climate Fund			150.0	
Global Agriculture and Food Security Program (GAFSP)			43.0	
TOTAL MDB APPROPRIATION	**2,473.2**	**2,400.9**	**2,687.3**	

Source: Derived from annual appropriation legislation and Treasury Department budget presentation documents.

Notes: Data includes rescissions. Data does not include "callable capital," or funds that the United States has committed to provide to the MDBs if they need it. Since the early 1980s, callable capital has been authorized, but not appropriated. To date, there has never been a call on callable capital. Table does not include requests or appropriations for multilateral debt relief initiatives. Totals may not add due to rounding.

a. Part of the Inter-American Development Bank (IDB) Group.

b. The World Bank serves as the trustee for these multilateral development funds.

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